

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a session of the Public Service
Commission held at its office
in Jefferson City on the 6th
day of October, 1992.

In the matter of tariffs filed by Missouri Public)
Service to reflect rate changes to be reviewed in) Case No. GR-91-160
Company's 1990-1991 Actual Cost Adjustment.)
)

**ORDER APPROVING APPLICATION FOR REHEARING AND APPROVING
PROVISION OF STIPULATION AND AGREEMENT PREVIOUSLY REJECTED**

On September 25, 1992 Missouri Public Service, a division of UtiliCorp
United Inc., (MPS) filed an Application For Rehearing of a portion of the Commis-
sion's Order Approving Stipulation And Agreement approved on September 18, 1992
with an effective date of September 28, 1992.

MPS states in its Application For Rehearing that the Commission
deviated from the terms of the Stipulation And Agreement entered into between MPS
and the Commission's Staff (Staff) as to the take-or-pay cost adjustment which
is paragraph No. 1 of the Stipulation And Agreement approved by the Commission
in its Order of September 18, 1992. That provision of the Stipulation And
Agreement sought to conserve the resources of both Staff and MPS by deferring an
evidentiary hearing on the matters related to that topic to a future general rate
case. MPS seeks by its Application For Rehearing the opportunity to present
evidence on the take-or-pay cost adjustment issue in an upcoming gas rate case
if one is filed before December 31, 1992. In the event that no such general gas
rate increase proceeding is filed on or before December 31, 1992, MPS agreed to
reduce its recoverable amount of take-or-pay liability by \$32,621.52. MPS
contends that for the Commission to decide the issue outside the context of an
evidentiary hearing is unreasonable and unlawful and denies MPS due process to
present evidence.

After reconsidering the Commission's previous Order and the Stipulation And Agreement approved therein and after considering the Application For Rehearing filed by MPS, the Commission determines that it is unfair to MPS to deny it the right to an evidentiary hearing on the take-or-pay cost adjustment issue if it so desires. Therefore, the Commission determines that the Application For Rehearing filed by MPS should be allowed as to the take-or-pay cost adjustment issue only, and that Paragraph 5 of the Ordered section of the Commission's Order of September 18, 1992 should be overruled. The Commission further determines that Paragraph No. 1 of the Stipulation And Agreement pertaining to the take-or-pay cost adjustment, incorporated by reference herein, is reasonable and should be approved.

IT IS THEREFORE ORDERED:

1. That the Application For Rehearing is hereby allowed as to that portion of the Commission's Order of September 18, 1992 dealing with the take-or-pay cost adjustment issue only.

2. That Paragraph No. 1 of the Stipulation And Agreement entitled "Take-or-pay cost adjustment" previously rejected by the Commission in its Order of September 18, 1992, is hereby approved.

3. That this docket is left open pending resolution of the take-or-pay cost adjustment issue in Missouri Public Service's next general rate increase proceeding for its Missouri gas operations.

4. That this order shall become effective on October 16, 1992.

BY THE COMMISSION

Brent Stewart

Brent Stewart
Executive Secretary

(S E A L)

McClure, Chm., Mueller, Rauch
and Kincheloe, CC., Concur.
Perkins, C., Absent.